

# TECHNICAL MEMORANDUM

## Utah Coal Regulatory Program

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August 26, 2010

TO: Internal File

THRU: Steve Christensen, Team Lead SKC

FROM: Angela Nance, Business Analyst AN

RE: Midterm Permit Review, Canyon Fuel Company, LLC, Dugout Canyon Mine, C/007/0039, Task ID # 3592

### SUMMARY:

In accordance with R645-303-211, the Division is required to review each active permit during its term. The Division commenced the Midterm Review for the Dugout Canyon Mine on July 15, 2010. As part of the review, an AVS check is performed to insure that the ownership and control information is current and correct. This Technical Memorandum will address that portion of the review.

The findings in this memo are based on a review of the current Mining and Reclamation Plan (MRP).

### TECHNICAL ANALYSIS:

## GENERAL CONTENTS

### IDENTIFICATION OF INTERESTS

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

#### Analysis:

Legal and financial information can be found in the General Chapter 1 of the Dugout Canyon Mining and Reclamation Plan. Canyon Fuel Company, LLC, currently holds the Dugout Canyon Mine permit. Canyon Fuel Company, LLC is owned by Arch Western Bituminous Group, LLC (65%) and by Arch Coal, Inc. (35%). Arch Western Resources, LLC is owned by Arch Western Acquisition Corporation (99%), which is wholly owned by Arch Coal, Inc., and by Delta Housing, Inc. (1%).

**Findings:**

Deficiencies have been identified that must be addressed prior to approval.

**R645-301-112-303:**

- **Arch Coal, Inc.**

1. The AVS database shows **Peter I Wold, Director with a Begin Date of 7/21/2010.** This information is not in the MRP. *Please address this discrepancy.*
2. The AVS database shows **J Thomas Jones, Director with a Begin Date of 7/21/2010.** This information is not in the MRP. *Please address this discrepancy.*

**RECOMMENDATION:**

The Permittee must update the General Chapter 1 Binder to include Peter I Wold and J Thomas Jones as Directors for Arch Coal, Inc.

A recommendation for approval cannot be made at this time.